

GENERAL ANSWERS TO QUESTIONS ON
GROUP LIFE INSURANCE PLAN FOR FEDERAL CIVILIAN EMPLOYEES
(Public Law 598)

PARTICIPATION

- Q. Who will be eligible to participate in this program?
- A. All Federal civilian employees are eligible except those excluded by Public Law 598 and the Civil Service Commission as noted below: (1) non-citizens stationed overseas and (2) employees excluded by the Civil Service Commission because of conditions of employment, such as seasonal, intermittent or part-time, or those excluded in the interest of the national security. (The exclusions currently established by the Civil Service Commission are temporary and may be subject to change.)
- Q. Will employees in hazardous occupations be excluded?
- A. An employee will not be excluded solely on the grounds that he is engaged in a hazardous occupation.
- Q. Will there be any bar to participation because of physical condition, age, or sex?
- A. No. However, if an employee declines insurance and later wants to participate, he will have to wait one year and then produce evidence of insurability - through a medical examination. Also, when an employee declines to participate, he will not be eligible for insurance after he has reached the age of 50 years. Therefore, an employee who has already reached age 50 and who initially declines to participate in the President's Plan will not be eligible for this insurance at any time in the future.

Q. If both man and wife are employed by the Government, will both be eligible?

A. Yes.

Q. What must an employee do to participate in the program?

A. Nothing. Eligible employees will be covered automatically, unless they complete SF-53, Waiver of Life Insurance Coverage, stating that they do not want to be covered under the plan.

Q. When will coverage terminate?

A. The insurance is discontinued on separation of service or 12 months after salary stops, whichever occurs first. However, life insurance provisions are continued if an employee retires under any Federal retirement system on an immediate annuity either for disability or after at least 15 years of civilian service.

Q. Do employees who quit the Government lose their coverage?

A. Yes. However, the life insurance will continue in effect for 31 days during which time they have the right to purchase an individual life insurance policy at standard rates from insurance companies approved by the Government. No medical examination will be required.

AMOUNT OF INSURANCE

Q. For what amount will an employee be insured?

A. At ages below 65 years, the insurance will be an amount that approximates his annual salary to the nearest upper thousand. (See attached pamphlet for insurance rate schedule.)

Q. Will an employee be able to carry less insurance than the amount to which he will be entitled?

A. No, he must carry the full amount or none.

Q. Will the amount of insurance to which an employee will be entitled change with his annual rate of salary?

A. Yes, if the changes in the employee's annual rate of salary are sufficiently great. For example, if an employee earns \$3,200 when he enters the program he is entitled to \$4,000 worth of insurance. If his salary goes over \$4,000 but not beyond \$5,000, he will be entitled to \$5,000 worth of insurance. If it drops to \$3,000 or below but not to \$2,000, he will be entitled to \$3,000 worth of insurance. The changes in coverage and salary deductions will become effective in the pay period in which the employee's salary rate changes.

Q. When will this insurance be paid out to the employee or his survivor(s)?

A. Upon death of the employee, the survivor(s) will be paid the face amount of the insurance. If the death is accidental, twice the face amount of the insurance will be paid. (If the employee suffers accidental loss of one hand, one foot, or the sight of one eye, he will be paid one-half of the face amount. The total face amount will be payable to the employee for the loss of two or more such members or for the loss of sight of both eyes.)

Q. Must an employee name a beneficiary?

A. No. Most employees will not find it necessary to designate a beneficiary. For those who do not, accident, life and death benefits are payable in the following order of precedence: (1) widow or widower, (2) children, (3) parents, (4) estate, and (5) next of kin.

PAYMENT FOR INSURANCE

- Q. How will an employee pay for this insurance?
- A. The cost to the employee will be deducted automatically from his pay check each pay period. (See attached pamphlet for premium rates.)
- Q. Will an employee be able to withdraw the money he has paid in at any time?
- A. No. His salary deductions will pay for his day-to-day insurance protection.
- Q. If an employee is 65 years or older when the program goes into effect, will deductions for insurance be made from his salary?
- A. No. He will receive the insurance without cost to himself.
- Q. Will an employee pay for his insurance after he retires?
- A. No. The life insurance will be free after retirement on an immediate annuity under any Federal retirement system, either for disability or after 15 years of civilian service. The double indemnity and dismemberment protection will stop.
- Q. Is it possible that the cost of insurance for the employees might increase?
- A. A change in the law would be required to increase the employee's rate of payment.